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# Report of the Inter-Agency Task Force on Finance Statistics

## Note by the Secretary-General

In accordance with Economic and Social Council decision 2016/220 and past practices, the Secretary-General has the honour to transmit the report of the Inter-Agency Task Force on Finance Statistics, which is submitted to the Statistical Commission for information.

The Commission is invited to take note of the report.

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# Report of the Inter-Agency Task Force on Finance Statistics

## I. Introduction

1. The Inter-Agency Task Force on Finance Statistics,[1] established in 1992 under the auspices of the Statistical Commission, reconvened in 1998 to coordinate work on improving the data on external debt and international reserves, with attention to the methodological soundness, transparency, timeliness and availability of data. The Task Force has worked on setting methodological standards and promoting data availability for statistics on external and public sector debt. A report on the programme of work of the Task Force was provided to the Commission for its session held in March 2015. The present report provides an update on work conducted since the issuance of the previous report and outlines the programme of work agreed upon at the meeting of the Task Force, hosted by the International Monetary Fund (IMF) in Washington, D.C., on 17 and 18 March 2016. The programme of work of the Task Force will continue to benefit from the cooperative, coordinated and sustained efforts of its members, which are essential to its success.

## II. Availability of debt data

### A. World Bank Quarterly External Debt Statistics Database

#### Medium-term external debt statistics strategy

2. The External Debt Statistics Working Group, which was established in mid-2015, held videoconferences in December 2015 and in June and September 2016. At the videoconference held in December 2015, the Working Group discussed the World Bank quarterly external debt statistics (QEDS) metadata questionnaire and the presentation of external debt statistics tables according to the valuation basis of debt securities. At the videoconferences held in June and September 2016, it focused on the implementation of the medium-term external debt statistics strategy.

3. During the 2016 meeting of the Task Force, IMF, in consultation with the World Bank, proposed discussing a medium-term strategy to further improve country participation, data availability and the consistency of external debt statistics. The proposed medium-term external debt statistics strategy includes four main objectives: (a) increase the number of reporting economies, mainly for countries that participate in the Enhanced General Data Dissemination System; (b) increase data granularity, mainly for Special Data Dissemination Standard (SDDS) subscribers and SDDS Plus adherents; (c) broaden the range of data sources, while ensuring that data ownership remains with countries; and (d) raise awareness of QEDS among end users and data compilers. It was decided that the

[1] The members of the Inter-Agency Task Force on Finance Statistics are the Bank for International Settlements, the Commonwealth Secretariat, the European Central Bank, Eurostat, the International Monetary Fund (IMF), the Organization for Economic Cooperation and Development (OECD), the secretariat of the Paris Club, the United Nations Conference on Trade and Development (UNCTAD) and the World Bank. The Task Force is chaired by the IMF Statistics Department and meets annually.

main vehicle for the implementation of the medium-term strategy would be the Working Group.

4. With a view to increasing the participation of Enhanced General Data Dissemination System economies in the QEDS Database, IMF, at videoconferences of the Working Group, informed participants of a new capacity development project targeting 17 francophone economies in West and Central Africa, most of which are not currently reporting to the Database. The workplan for the project includes key objectives, including the promotion of participation in the Database as part of the international investment position initiative. With a view to supporting the workplan, the World Bank is gathering information from its Debtor Reporting System and QEDS Database on those 17 countries. UNCTAD and the Commonwealth Secretariat will also provide information from their debt recording systems on those countries. The World Bank, through its Debtor Reporting System, and the Commonwealth Secretariat and UNCTAD, through their debt recording systems, will continue to assist countries in improving QEDS reporting.

5. With regard to increasing the data granularity of the Database, the Working Group is sharing the views of users as to which QEDS tables are the most important and which elements need to be prioritized. In the coming months, IMF will try to identify how QEDS data is used by IMF economists, including the most used tables. The European Central Bank will also start reporting net external debt position data for the euro area.

**Data availability**

6. In October 2014, the World Bank, in collaboration with IMF, launched the new QEDS Database in line with the 2013 External Debt Statistics: Guide for Compilers and Users (2013 EDS Guide) and the Balance of Payments and International Investment Position Manual, Sixth Edition (BPM6).[2] The QEDS Database comprises two databases: one for the external debt data of countries that subscribe to SDDS (QEDS/SDDS Database) and one for countries that participate in the General Data Dissemination System (QEDS/GDDS Database). As at October 2016, 123 economies reported quarterly external debt position data, with 76 economies reporting to the QEDS/SDDS Database and 47 to the QEDS/GDDS Database. The number of SDDS subscribers has increased. Currently, all 63 SDDS subscribers, as well as the 11 SDDS Plus adherents, the euro area and New Zealand, report data for table 1 of the QEDS/SDDS Database on gross external debt position, as prescribed by SDDS. No new economies are participating in the QEDS/GDDS Database. Currently, 47 of the 110 GDDS participants (43 per cent) report to the QEDS/GDDS Database. Notably, 33 of them also report data for table 6 of the QEDS/GDDS Database on gross external debt position, as prescribed by SDDS. Therefore, over 100 economies currently report quarterly external debt to the QEDS Database, as prescribed by SDDS.

[2] See http://datatopics.worldbank.org/debt/home.

7. With regard to progress in the adoption of the 2013 EDS Guide and BPM6, 67 economies reported to the QEDS/SDDS Database and 32 economies reported to the QEDS/GDDS Database in line with those guides.[3]

8. The number of economies reporting data for the encouraged and supplementary tables of the QEDS Database, which contain additional information, is increasing, but there is ample room for further progress. As at October 2016, 37 economies reported data for table 2 of the QEDS/SDDS Database on gross external debt position: foreign currency and domestic denominated debt,[4] 15 reported data for table 2.1 on gross external foreign currency debt and foreign currency-linked debt position and 12 economies reported data for table 3.1 on gross external debt position: short-term remaining maturity. The reporting of this additional analytical information on the gross external debt position is particularly useful in the context of the growing interest in more granular data on debt position.[5]

**Quarterly external debt statistics metadata questionnaire**

9. The World Bank prepared the QEDS metadata questionnaire, which was shared for comments and discussed at the meeting of the External Debt Statistics Working Group held in December 2015. Separate metadata questionnaires were developed for the QEDS/SDDS and QEDS/GDDS databases and sent to reporters in February 2016. At the meeting of the Working Group in June 2016, the World Bank presented the results and the proposed metadata update, which included increasing the visibility of the revision policy in the Database for dissemination.

10. As agreed upon at the Task Force meeting, countries are currently being presented in the World Bank QEDS debt data portal according to their valuation of debt securities. Subtables to table 1 were created in the cross-country tables of the QEDS/SDDS Database (http://datatopics.worldbank.org/debt/qeds), presenting the gross external debt position for those countries that value debt securities at market value, nominal value and a mixture of market/nominal value or using other valuation methods.

## B. Quarterly Public Sector Debt Statistics Database

11. The Quarterly Public Sector Debt Statistics (QPSD) Database, which is a collaborative effort by the World Bank, Eurostat, OECD, the Commonwealth Secretariat, UNCTAD and IMF, comprises data on the gross public sector debt

[3] To maintain a single comprehensive database covering consistent historical data, the World Bank converts data reported in line with the 2003 EDS Guide and the Balance of Payments and International Investment Position Manual, Fifth Edition (BPM5) to bring it in line with the 2013 EDS Guide and BPM6 using generic conversion rules.

[4] The QEDS/GDDS Database also includes a table on foreign and domestic currency breakdown of public and publicly guaranteed private sector external debt. Currently, the foreign/domestic currency split is reported by 30 economies (64 per cent of GDDS reporters).

[5] In that regard, to support the analysis of currency mismatches and liquidity risks, the second phase of the Group of 20 Data Gaps Initiative includes a recommendation on international investment position (recommendation II.10), which underscores the reporting of additional analytical international investment position information on the currency composition of external assets and liabilities and remaining maturity data.

position at nominal value. Data on central government must be provided, while data on all other areas of government, such as general government, are provided on a voluntary basis. The minimal requirement is the reporting of data on the debt position of central government by type of instrument.

12. As at November 2016, 82 economies have provided data for the QPSD Database, of which 70 economies reported data between the first quarter of 2015 and the second quarter of 2016 on central government, 62 economies on general government and 32 economies on the non-financial public sector.[6] Only 27 economies reported data for the public sector as a whole. The Public Sector Debt Statistics Working Group, with representatives from the Bank for International Settlements, the Commonwealth Secretariat, the European Central Bank, Eurostat, IMF, OECD, UNCTAD and the World Bank, is contributing to the ongoing development of the joint Database. The group fosters consistency across international organizations and facilitates discussion and consensus-building on key issues related to public sector debt statistics. One of the major undertakings of the group relates to further improving the transparency of the gross public sector debt data disseminated through the QPSD Database by presenting debt data using the matrix approach, in which debt coverage is classified according to the aggregates referred to as D1-D4[7] and sector coverage is classified according to the aggregates referred to as GL1-GL5. A note explaining the various concepts has also been included for users. The World Bank and OECD are also working on the metadata to further improve the transparency of the Database.

13. The Working Group has met twice, in June and September 2016, since the most recent meeting of the Task Force and agreed on the work programme until March 2017, when the next Task Force meeting will be held. In the light of a recommendation made at that meeting of the Task Force, the Commonwealth Secretariat, UNCTAD, the World Bank and IMF have set up a country engagement group. As at November 2016, the group had met three times. Although the basic operations have been agreed upon for the country engagement group, no work programme has been set up owing to uncertainty about funding. As a result, only current work programmes are coordinated. In the light of the most recent meeting of the Working Group, discussions are also ongoing between OECD and Eurostat to explore options to move to the complete reporting of quarterly public sector debt through the Eurostat option. A number of improvements to the dissemination of quarterly public sector debt relating to counterpart information were also agreed upon. Further progress was achieved in providing online publications for users explaining the various definitions of debt and net debt. Those issues will be discussed further at the next meeting of the Working Group, and a draft paper on net debt will be submitted to the Task Force for approval.

14. In order to strengthen the transparency and cross-national consistency of public sector debt statistics, the Task Force continues to endorse and support the comprehensive coverage of debt instruments for general government, with a specific focus on those economies not yet reporting, as a benchmark for achieving greater fiscal transparency in public sector debt statistics. This is consistent with other

[6] It should be noted that all countries listed have reported data prior to the first quarter of 2015. For example, data are available for 25 countries since the first quarter of 2000.

[7] Including a regional debt concept (D2A).

initiatives and priorities, including the standard template for recommendation No. 16 of the second phase of the Group of 20 Data Gaps Initiative (previously recommendation No. 18 of the first phase of the Initiative) and the SDDS Plus category on general government gross debt.

### C. Joint External Debt Hub[8]

15. In 2015, the World Bank presented the revised creditor/market tables prepared by the Joint External Debt Hub, developed by the Bank for International Settlements, IMF, OECD and the World Bank.[9] Improvements to the presentation of the table included: (a) replacing the data from the Bank for International Settlements on international debt securities with the data from the Coordinated Investment Portfolio Survey on debt securities and subsequently moving the data from the Bank for International Settlements to the supplementary information tables; (b) adding a new component on short-term and original maturity for data on debt securities from the Coordinated Investment Portfolio Survey; and (c) replacing the OECD official trade credits with Berne Union's short-term insured trade finance. During the 2016 Task Force meeting, the World Bank presented a proposal for revamping the Joint External Debt Hub website, with a view to making it more user-friendly. The proposed new website was shared by the World Bank for comments in June 2016 and is expected to be launched by the end of 2016.

## III. Capacity-building

16. IMF continued to provide technical assistance in improving the capacity to compile and disseminate external debt statistics. IMF also continued to promote the 2013 EDS Guide through training courses. In February 2016, a two-week course on external debt statistics was conducted in Washington, D.C., with the participation of officials from 39 IMF member countries.[10] In May 2016, IMF also conducted a new course on cross-border position statistics, which includes work on external debt statistics and the links between different data sets within international accounts, in Washington, D.C., with the participation of officials from 39 economies. This new two-week course was also delivered at the IMF Regional Training Institute in Singapore in November 2015 and a one-week version of the course was conducted in Mexico at the Centre for Latin American Monetary Studies and in Slovenia at the Centre of Excellence in Finance in December 2015.

17. As part of its ongoing work, IMF also provides training assistance and delivers training courses in public sector debt. Training assistance activities are undertaken in the context of the 18-month regional project to improve government finance and public sector debt statistics in targeted South-Eastern European members (Albania,

[8] The Joint External Debt Hub website was launched in March 2006 to provide a one-stop source for comprehensive external debt statistics.

[9] The table presents data from creditor/market sources on external debt and selected foreign assets for over 200 economies. The creditor/market data are sourced by the four agencies involved and are available at www.jedh.org/jedh_creditor.html.

[10] External debt statistics courses have been conducted every other year since 2005 at IMF headquarters.

Bosnia and Herzegovina, Kosovo, Macedonia and Serbia).[11] In addition, IMF conducts training and workshops on public sector debt statistics on a regular basis. An in-country workshop was held in the Lao People's Democratic Republic in November 2015, and a similar workshop for West African Economic and Monetary Union countries was held in conjunction with the West African Institute for Financial and Economic Management in Accra in July 2016.[12]

18. The Commonwealth Secretariat and UNCTAD have provided support to countries in the production and dissemination of debt statistics, through conferences, regional workshops and country-specific activities.

19. Over the past year, the Commonwealth Secretariat organized two training workshops on the compilation and dissemination of debt statistics through the use of its Debt Recording and Management System. One of the workshops was held in conjunction with the Macroeconomic and Financial Management Institute of Eastern and Southern Africa and attended by 29 debt managers from 10 countries in Eastern and Southern Africa, while the other was organized jointly with the Eastern Caribbean Central Bank and attended by 37 debt managers from 15 Caribbean countries. A presentation on the Debt Recording and Management System software was made by the Commonwealth Secretariat at the IMF course on debt statistics organized jointly with the Macroeconomic and Financial Management Institute of Eastern and Southern Africa in Lesotho in October 2015.

20. The Commonwealth Secretariat assisted Zanzibar, United Republic of Tanzania, through a country mission, in improving the quality of debt data, including through the installation of the latest version of the Debt Recording and Management System, the provision of training and the building of a public debt database at the Zanzibar Ministry of Finance. Cyprus, Myanmar and the Crown Agents Bank of the United Kingdom of Great Britain and Northern Ireland adopted the Debt Recording and Management System in 2016. The Commonwealth Secretariat released version 2, service pack 2, of the System in response to user requirements. Important enhancements in the new version include: (a) the addition of a liability management option covering prepayment and accelerated payment; (b) enhanced sensitivity analysis; (c) an improved dashboard facility; (d) a revised template of the QEDS/GDDS Database; (e) support for the new Statistical Data and Metadata Exchange purpose codes for the World Bank Debtor Reporting System; and (f) improved reporting functionality.

21. Between August 2015 and July 2016, UNCTAD organized a regional workshop, in collaboration with the Macroeconomic and Financial Management Institute of Eastern and Southern Africa, and 10 in-country training events, in Albania, Chad, Côte d'Ivoire (2), Gabon, Indonesia, Iran (Islamic Republic of), Nicaragua, the Philippines and Zambia, related to strengthening capacities in the compilation and dissemination of debt statistics. The workshops used the capacity-building courses of the Debt Management and Financial Analysis System on debt validation, debt statistics and debt portfolio analysis, which contribute to the

[11] The project started in November 2014 and is financed with funding from the Government of Switzerland and the State Secretariat for Economic Affairs.

[12] More workshops are planned for the remainder of the fiscal year 2017, for example in Jordan for Iraqi officials and in Bahrain.

dissemination of the latest standards relating to the 2013 EDS Guide and the Public Sector Debt Statistics: Guide for Compilers and Users.

22. UNCTAD installed the latest version of the Debt Management and Financial Analysis System, DMFAS 6, which incorporates methodological standards promoted by the 2013 EDS Guide and the Public Sector Debt Statistics Guide, at the ministries of finance of Albania and the Republic of Moldova and at Bank Indonesia. UNCTAD also provided regular updates and new releases of DMFAS 6 to the 41 user institutions worldwide. The latest version greatly facilitates reporting, in particular to the QEDS and PSDS databases, as well as reporting in nominal and market value.

## IV. Forward work programme of the Task Force

23. With the completion of the methodological work and the establishment of debt databases, the main activities in the 12-month work programme, agreed at the meeting of the Task Force in March 2016, are focused on the discussion and implementation of the medium-term strategies to address data gaps and improve country coverage for both the QEDS and the QPSD databases. The main vehicles for the implementation of the medium-term strategies are the External Debt Statistics Working Group and the Public Sector Debt Statistics Working Group, with strong reliance on enhanced inter-agency collaboration to attain the objectives, while reducing the burden on reporters.

24. The External Debt Statistics Working Group is already working on the tasks and developing appropriate timelines to attain the four objectives of the medium-term external debt statistics strategy for QEDS. The work programme also includes the dissemination of the QEDS metadata and the revamping of the Joint External Debt Hub website.

25. The medium-term strategy for the QPSD Database will focus on a limited number of countries, in addition to existing training assistance programmes, to encourage reporting and improve data quality. A country engagement group has already been established by the Commonwealth Secretariat, IMF, UNCTAD and the World Bank with a view to increasing the country coverage of the QPSD Database. The Public Sector Debt Statistics Working Group will continue working on common quarterly public sector debt templates to align the collection of public sector debt data. Eurostat and OECD will continue to focus on efforts among member countries to improve data quality.

## V. Next meeting of the Task Force

26. The Task Force member organizations will hold the next meeting at the European Central Bank in Frankfurt, Germany, on 21 and 22 March 2017.